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FM THE SITUATION ROOM TOHAK71

TO USINT CAIRO

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SECTION ONE OF TWO WH37573

TOHAK71

TO LARRY EAGLEBURGER FOR SECRETARY KISSINGER

TOP SECRET-SENSITIVE

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DECEMBER 14, 1973

MEMORANDUM FOR SECRETARY KISSINGER

FROM: THE SITUATION ROOM

SUBJECT: MORNING REPORT

LE MONDE COMMENTS ON YOUR SPEECH: LE MONDE TODAY DESCRIBED YOUR
POLICY SPEECH IN LONDON LAST NIGHT AS A BRUTAL INTERFERENCE IN
COMMON MARKET DECISION-MAKING. IN A FRONT-PAGE EDITORIAL LE
MONDE SAID: "AN AMERICAN OFFICIAL HAS NEVER DEFINED WITH SUCH
CLARITY THE PROBLEMS HIS COUNTRY FACES WITH EUROPEAN UNITY. TO
HIS FRANKNESS MUST BE ADDED BRUTALITY, SINCE HIS ADVICE GIVEN
ON THE EVE OF THE COPENHAGEN EEC SUMMIT STRONGLY RESEMBLES A
FINAL ATTEMPT TO INTERFERE IN THE DECISIONS WHICH THE NINE COMMON
MARKET COUNTRIES MIGHT TAKE."

FINANCIAL TIMES EDITORIAL ON YOUR PROPOSAL: IN AN EDITORIAL
TODAY, THE LONDON FINANCIAL TIMES SAID THAT YOUR SUGGESTIONS
FOR TACKLING THE ENERGY CRISIS WERE RELEVANT NOT ONLY TO PEACE
IN THE MIDDLE EAST BUT TO THE LONG-TERM INTERESTS OF ALL.
FURTHER, THE CURRENT FUEL CRISIS HAS UNDOUBTEDLY SHOWN THAT
AN ALLIANCE OF SELF INTEREST WHICH HAS RECENTLY BEEN TAKEN FOR
GRANTED MUST NOW BE RENEWED. THE NEW GIANT STEP FORWARD WHICH
YOU PROPOSE FOR AMERICA AND ITS CLOSEST PARTNERS COULD INDEED
BE ONE TAKEN FOR THE BENEFIT OF THE WORLD.

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SECFILE

PSN:008359

PAGE 01

TOR:348/03:11Z

DTG:140313Z DEC 73

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State Dept Review
Completed

ON-FILE NSC RELEASE INSTRUCTIONS APPLY

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IRANIAN REACTION TO OIL PROPOSAL: RESPONDING TO YOUR PROPOSAL CALLING FOR THE FORMATION OF AN ENERGY ACTION GROUP COMPOSED OF WEST EUROPEAN COUNTRIES, JAPAN AND CANADA, AN IRANIAN GOVERNMENT SPOKESMAN STATED THAT THE IRANIAN GOVERNMENT WELCOMED THE PROPOSAL AND DECLARED ITS READINESS TO PARTICIPATE IN SUCH A GROUP.

TOP SECRET-SENSITIVE
CONTAINS CODEWORD

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-2-

LIBYAN PAPER DENOUNCES YOUR VISIT TO MIDDLE EAST: IN A STRONG DENUNCIATION OF YOUR TRIP TO THE MIDDLE EAST, A LIBYAN NEWSPAPER TODAY SAID THAT EVERY TIME YOU CAME TO THE ARAB AREA, YOU WERE PRECEDED BY GUARANTEES OF THE SUCCESS YOU SOUGHT, AND ALL FACTORS CONSISTENT WITH YOUR HATRED OF FAILURE WERE PREPARED FOR YOU. THE PAPER ADDED THAT DOORS HAD BEEN OPENED TO YOU. WHATEVER THE REASONS FOR THIS, IT COULD ONLY CONSTITUTE "AN ADMISSION OF DEFEAT AND A SUBMISSION TO THE ENEMY'S WILL THAT CANNOT BE CHECKED." THE PAPER SAID: "IN THE PAST KISSINGER WAS A ZIONIST AND AN ENEMY WHO SHOULD BE FOUGHT. ALSO IN THE PAST EMPHATIC VOWS WERE MADE THAT KISSINGER WOULD NOT BE RECEIVED AND HIS MISSION WOULD NOT BE RECOGNIZED.... NOW KISSINGER IS WELCOMED AND HIS MISSION IS RECOGNIZED. THE VOICES WHICH ADVOCATED ENMITY AND DESTRUCTION HAVE DIED DOWN. WHAT HAS CHANGED? ARE THE SACRIFICES MADE IN THE PAST NOT GOOD ENOUGH FOR HIM?" THE PAPER CONCLUDES: "IS IT NOT A TRAGEDY THAT ZIONIST KISSINGER SHOULD TAKE OVER MAKING PROPOSALS FOR A SOLUTION THAT SATISFIES THE LEADER OF THE IMPERIALIST WORLD AND ZIONISM?"

LEBANESE PRESS VIEWS ON YOUR MISSION: A LEBANESE NEWSPAPER TODAY SAID: "KISSINGER WILL REALIZE FOR THE FIRST TIME THAT U.S. INTERESTS IN THE WHOLE MIDDLE EAST WILL BE THREATENED AND THAT THE REAL NEGOTIATIONS FOR PEACE WILL NOW BE NEGOTIATIONS WITH UNITED STATES.... IN CAIRO AND DAMASCUS KISSINGER WILL HEAR THAT NOT EVEN A SINGLE INCH OF ARAB LANDS WILL BE CONCEDED AND THAT ISRAELI-AMERICAN PROCRASTINATION WILL ONLY LEAD TO THE RESUMPTION OF THE WAR." ANOTHER PAPER WARNED: "EITHER THE UNITED STATES AND ISRAEL ADOPT A CLEAR STAND ON A COMPREHENSIVE ISRAELI WITHDRAWAL FROM THE OCCUPIED ARAB AREAS AND RESTORATION OF THE PALESTINE PEOPLE'S RIGHTS, OR THERE WILL BE ANOTHER WAR TO ACHIEVE THIS OBJECTIVE." A THIRD BEIRUT NEWSPAPER SAID: "THE UNITED STATES SHOULD TAKE INTO ACCOUNT THE FACT THAT THE ARABS WILL GO TO THE GENEVA CONFERENCE DETERMINED TO LIBERATE THEIR LANDS AND TO REGAIN THEIR RIGHTS IN FULL IN ORDER TO ESTABLISH A GENUINE, JUST AND DURABLE PEACE. OTHERWISE THE CONFERENCE WILL FAIL."

TANKER ARRIVES AT ASHQUELON: A BRITISH FLAG TANKER, UNDER CHARTER TO ISRAEL, ARRIVED AT THE MEDITERRANEAN PORT OF ASHQUELON ON DECEMBER 10 WITH 160,000 METRIC TONS OF IRANIAN CRUDE OIL, THE FIRST SUCH SHIPMENT RECEIVED SINCE EARLY OCTOBER. THE SHIP

PSN:008359

PAGE 02

TOR:348/03:11Z

DTG:140313Z DEC 73

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WAS ORIGINALLY SCHEDULED TO GO TO ELAT BUT INSTEAD WAS ORDERED
TO PROCEED TO ISRAEL VIA THE MEDITERRANEAN WHEN IT WAS LEARNED
THAT THE SHIP WOULD LOSE ITS INSURANCE COVERAGE IF IT WERE USED
TO TEST THE EGYPTIAN BLOCKADE OF THE RED SEA.
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PSN:008359 PAGE 03 OF 03 TOR:348/03:11Z DTG:140313Z DEC 73

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TOHAK 71 TO LARRY EAGLEBURGER FOR SECRETARY KISSINGER
FINAL SECTION OF TWO

JAPAN APPEALS TO ISRAEL TO WITHDRAW: JAPAN TODAY MADE A STRONG APPEAL TO ISRAEL TO WITHDRAW BEHIND THE LINES HELD AT THE TIME OF THE OCTOBER 22 CEASE-FIRE RESOLUTIONS AS THE FIRST STEP TO A TOTAL WITHDRAWAL FROM ISRAELI-OCCUPIED ARAB TERRITORY. THE APPEAL WAS MADE AS JAPAN'S DEPUTY PRIME MINISTER TAKED MIKI TOURED MIDDLE EAST CAPITALS IN AN EFFORT TO STRENGTHEN TIES WITH THE ARAB WORLD.

SOVIET COMMENT ON NATO MEETINGS: THE SOVIET UNION SAID TODAY THE NATO COUNCIL RESORTED TO COMPROMISES THIS WEEK TO "AVOID AN OPEN SPLIT" BETWEEN THE UNITED STATES AND ITS EUROPEAN ALLIES. THE COMMENTARY, IN PRAVDA, SAID THAT THE TWO-DAY SESSION IN BRUSSELS "MOST ACUTELY BROUGHT OUT THE DIFFERENCES" BETWEEN AMERICA AND WESTERN EUROPE AND THAT THESE PROBLEMS "SHARPLY INCREASED...AS A RESULT OF THE RECENT AGGRAVATION OF THE MIDDLE EAST CONFLICT AND THE DIFFICULTIES CAUSED BY THE INTENSIFYING ENERGY CRISIS." PRAVDA ASSERTED THAT SINCE TENSION REMAINED INSIDE NATO "ON A WIDE RANGE OF INTERNATIONAL PROBLEMS, THE MAJORITY OF FOREIGN MINISTERS ADOPTED COMPROMISE DECISIONS TO AVOID AN OPEN SPLIT."

ANALYSIS OF SOVIET DEFENSE BUDGET CLAIMS: IN CONTRAST TO THE SOVIET CLAIM YESTERDAY OF A TWO PERCENT DECLINE IN THE DEFENSE BUDGET, INTELLIGENCE ESTIMATES SUGGEST THAT OUTLAYS WILL NOT DECREASE IN 1974. IT IS MORE LIKELY THAT THE GRADUAL UPWARD GROWTH IN SOVIET SPENDING SINCE 1969 WILL CONTINUE INTO 1974. THIS UPWARD TREND IS EXPECTED TO QUICKEN IN 1975 AND 1976, WHEN THE USSR BEGINS DEPLOYING ICBM SYSTEMS CURRENTLY BEING DEVELOPED. PEKING - MOSCOW AIR LINK: CHINA WILL REPORTEDLY INITIATE ITS FIRST REGULARLY SCHEDULED CIVIL AIR SERVICE TO EUROPE BY FEBRUARY WITH A WEEKLY FLIGHT BETWEEN PEKING AND MOSCOW. A TECHNICAL PROTOCOL ENABLING THE AIRLINES OF BOTH COUNTRIES TO OPERATE THE NONSTOP SERVICE WAS APPARENTLY SIGNED ON DECEMBER 10. INITIATION OF THE AIR SERVICE UNDERSCORES CONTINUED SINO-SOVIET EFFORTS TO

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SECFILE

PSN:008363

PAGE 01

TOR:348/03:22Z

DTG:140313Z DEC 73

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MAINTAIN NORMAL STATE-TO-STATE RELATIONS DESPITE POLITICAL DIFFERENCES.

YUGOSLAV-SOVIET RELATIONS: YUGOSLAV RELATIONS WITH THE SOVIET UNION ARE BETTER THAN AT ANY TIME SINCE THE ARAB-ISRAELI WAR IN 1967. THE SLOW FORWARD MOVEMENT BEGAN IN 1971, GAINED NEW

TOP SECRET-SENSITIVE
CONTAINS CODEWORD

TOP SECRET-SENSITIVE
CONTAINS CODEWORD

-4-

IMPETUS DURING THE RECENT MIDDLE EAST WAR, AND WAS FURTHER DEMONSTRATED DURING THE TITO-BREZHNEV TALKS IN KIEV IN MID-NOVEMBER. DETAILS OF THE EXCHANGE IN KIEV ARE STILL BEING CLOSELY HELD BY BOTH MOSCOW AND BELGRADE, BUT ENOUGH INFORMATION HAS LEAKED OUT TO INDICATE THAT THEIR CURRENT RELATIONSHIP IS BASED MORE ON PRAGMATISM THAN ON COMMUNIST DOCTRINE.

-- TITO IS NOT LEADING HIS COUNTRY BACK INTO THE SOVIET FOLD.

-- EACH SIDE HAS AGREED TO DEAL WITH THE OTHER ON THE BASIS OF "MUTUAL RESPECT, UNDERSTANDING, AND FLEXIBILITY."

THIS LANGUAGE SUGGESTS A DECISION TO CONCENTRATE ON THOSE ISSUES THAT UNITE THE TWO COUNTRIES -- SUCH AS THEIR COMMON SUPPORT OF THE ARABS -- AND TO SOFT-PEDAL THOSE THAT DIVIDE THEM -- SUCH AS MOSCOW'S DISTASTE FOR TITO'S BRAND OF SOCIALISM.

THE WASHINGTON STAR - NEWS: AP REPORTS THAT YOU HAVE PROPOSED THAT THE EUROPEAN ALLIES AND JAPAN JOIN THE U.S. IN A CRASH PROGRAM TO SURMOUNT THE OIL SHORTAGE BY DEVELOPING NEW ENERGY SOURCES AND CONSERVING SUPPLIES.

JEREMIAH O'LEARY ASSERTS THAT BETWEEN THE LINES OF YOUR MAJOR POLICY SPEECH LAST NIGHT STANDS LOUD AND CLEAR THE MESSAGE THAT THE U.S. WOULD REGARD AS SUICIDAL ANY PURSUIT OF SEPARATE PATHS BY NORTH AMERICA, WESTERN EUROPE, AND JAPAN. THE U.S. INTENDS TO MAKE EVERY EFFORT TO KEEP THIS FROM HAPPENING, EVEN IF THE TREND TOWARD SEPARATENESS IS PURSUED IN THE NAME OF EUROPEAN UNITY.

SIX ARAB STATES, RESPONDING TO COMMON MARKET SOUNDINGS, ARE SENDING FOREIGN MINISTERS TO COPENHAGEN TOMORROW WHEN EUROPEAN LEADERS BEGIN SUMMIT TALKS ON THE MIDEASTERN, TRANS-ATLANTIC, AND ENERGY CRISES.

AP REPORTS THAT WHILE YOU WERE BUSY SOLVING WORLD PROBLEMS, THE U.S. EMBASSY IN LONDON WAS HOLDING ANOTHER URGENT MATTER FOR YOU -- A HUNT FOR SOME PAJAMAS. AFTER UNSUCCESSFUL ATTEMPTS TO BUY A PAIR THAT WOULD FIT YOU BECAUSE OF CLOSED STORES, A STATE DEPARTMENT EMPLOYEE DONATED HIS NEW PAIR OF PIERRE CARDIN'S. PRESUMABLY, YOU WERE ABLE TO SLEEP IN RESPECTABLE ATTIRE.

GEORGE SHERMAN REPORTS THAT SOUTH VIETNAM'S NEED TO GET OIL DIRECTLY FROM U.S. MILITARY RESERVES "WILL GO DOWN TO ZERO IN THE NOT TOO DISTANT FUTURE," ACCORDING TO THE PENTAGON.

A STAR EDITORIAL ADDRESSES THE SUBJECT OF GREEK UNCERTAINTY ON THE PART OF THE NEW RULERS IN THEIR THIRD WEEK SINCE DEPOSING PAPADPOULOS AND SCRAPPING HIS PLAN FOR LIMITED DEMOCRACY.

PSN:008363

PAGE 02

TOR:348/03:22Z

DTG:140313Z DEC 73

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PSN:008363 PAGE 03 OF 03 TOR:348/03:22Z DTG:140313Z DEC 73

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